

**To consider preliminary employee budget for the 2024/25 financial year**

The purpose of this report is to give initial consideration to the estimated employee costs for the next financial year, including an estimate for the two years beyond, for submission to the Finance and Governance Committee meeting to be held on 13<sup>th</sup> December 2023 as part of the overall budget approval process.

The budget and forecast for 2023/24, with variance, are summarised in Table 1 below. The projected outturn for the current financial year shows a potential underspend of £9k.

Table 1: 2023/24 budget and projected outturn split by department

Department	2023/24		
	Budget	Forecast	Variance
	£	£	£
Car Parks	47,250	49,400	2,150
Parks & Operations (incl Beach Cleaner)	567,020	592,250	25,230
Beach Gardens	23,560	26,250	2,690
Beaches - Seafront Advisors	15,380	13,115	(2,265)
Market	3,740	5,360	1,620
Boat Park	17,080	16,520	(560)
Tourism	199,480	200,215	735
Central Services	343,980	305,270	(38,710)
<b>Total</b>	<b>1,217,490</b>	<b>1,208,380</b>	<b>(9,110)</b>

In estimating the employee costs for 2023/24, an assumption of a flat rate pay award of £700 for all employees (pro rata for part-time/seasonal employees) was made, 1.21%-3.77%. This was following a flat rate of £1,925 having been paid in 2022/23. Presently, the pay award for 2023/24 has yet to be finalised. A pay offer from the employers of a flat rate of £1,925 has once again been made. However, this offer was rejected by the unions and any settlement is still outstanding. For the purposes of forecasting the current year's employee costs, the flat rate offer of £1,925 has been used.

In using the flat rate of £1,925, this has resulted in an anticipated pay award of between 3.01% and 9.42%, which is considerably higher than that percentage budgeted. However, due to difficulties encountered with recruitment and the allocated seasonal employee hours being under used, this increase has been absorbed within the budget provided as a whole. It does, however, increase the base figure moving into the next financial year, with negotiations yet to begin on the 2024/25 pay award. Over two financial years, the payroll budget will have increased substantially due to inflationary increases alone. With a base budget of £1.2m any

increases over the budgeted percentage increases will have a significant impact on the payroll costs as a whole.

The employer's pension contribution rate was set by the Pension Fund at 22% for the three financial years 2023/24 to 2025/26 and it is assumed that this will be the case for 2026/27.

During the 2022/23 financial year, the majority of recommendations put forward by the LGRC in their report to Council were implemented. However, not all of the recommended posts have been recruited to during 2023/24 and have not been included in the estimates for 2024/25 onwards. Members may wish to reconsider this on a departmental needs basis. In terms of full-time equivalent (FTE) employees i.e., 37 hours per week, this has increased by 3.41 FTE employees since 2019/20.

### **Budget Overview**

A summary of the total staffing budget is set out below and each department will be reviewed individually. All staffing requirements have been discussed with departmental managers and are subject to Member approval.

Table 2: Employee budgets, forecast and actual costs and FTE posts

	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Central Services	£210,995	£227,055	£219,650	£271,855	£343,980	£305,270	£347,510	£361,620	£371,100
Operations	£503,340	£471,400	£456,740	£517,835	£567,020	£592,250	£618,190	£638,950	£652,730
Enforcement	£41,940	£43,905	£26,170	£44,210	£47,250	£49,400	£51,550	£53,160	£54,260
Visitor Services*	£180,160	£153,545	£216,150	£240,625	£259,240	£261,460	£281,750	£291,970	£299,220
<b>Total Costs</b>	<b>£936,435</b>	<b>£895,905</b>	<b>£918,710</b>	<b>£1,074,525</b>	<b>£1,217,490</b>	<b>£1,208,380</b>	<b>£1,299,000</b>	<b>£1,345,700</b>	<b>£1,377,310</b>
<b>Total FTE posts</b>	<b>30.54</b>	<b>30.14</b>	<b>30.69</b>	<b>32.94</b>	<b>34.63</b>	<b>33.34</b>	<b>33.95</b>	<b>33.95</b>	<b>33.95</b>

*\*Option 1 figures*

The pay award increase that has been factored into the budget for the 2023/24 estimates is a 4% inflationary increase. A 3% increase has been allowed for the 2025/26 financial year & 2% for the 2026/27 financial years, assuming a fall in inflationary pressures over this period. The uplift in estimated costs from 2024/25 to 2026/27 is incremental/inflationary only.

## Departmental Review of Budgets

### Central Services

Table 3: Employee budgets, forecast and actual costs and FTE count – Central Services

	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Costs	£210,995	£227,055	£219,650	£271,855	£343,980	£305,270	£347,510	£361,620	£371,100
FTE	4.87	5.50	5.00	6.50	8.00	6.85	7.20	7.20	7.20

During 2023/24 Central Services has continued to operate below the allocated budget, both financially and in terms of employee numbers. The estimate for 2024/25 includes 7.20 FTE posts, a drop of 0.80 from the current years allocated FTE.

During 2023/24 a recruitment exercise was undertaken for three budgeted posts. Two have been successfully recruited to, albeit on revised (less) hours than budgeted with one post remaining vacant - the Communications & Community Engagement Officer. For the purposes of estimating the costs for 2024/25 this post has been removed, resulting in the FTE decrease. In order to ensure that sufficient funds are available for Council communications it is suggested that part of these funds should be allocated to the council's publications/communications budgets.

Members and managers have previously expressed support for the engagement of an office-based apprenticeship and the Planning & Community Engagement Manager is supportive of exploring this option. There has been no budget provision included for this in the above figures for Central Services as this is only a suggested route at present. However, should this prove a viable and preferable option for recruitment then the matter will be put before the Personnel Committee to approve an additional budget if required in 2024/25. It is anticipated that this would be an addition of c.£32k/1 FTE to the departmental budget.

### Operations, including Beach Cleaning

Table 4: Employee budgets, forecast and actual costs and FTE count – Central Services

	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Costs	£503,340	£471,400	£456,740	£517,835	£567,020	£592,250	£618,190	£638,950	£652,730
FTE	17.45	17.65	17.45	17.50	17.25	17.25	17.25	17.25	17.25

The current financial year is the first full year following the implementation of the LGRC recommendations and the restructuring of the Operations department. As can be seen from table 4 above, employee numbers have been consistent for a number of years, although the department was operating with vacant posts pre 2022/23.

In terms of departmental costs, this department has been impacted the greatest by the expected above budget pay award for 2023/24, with an expected over spend of £25k in the current financial year. This is due, in part, to this being the Council’s largest department, but is also due to the lower salary graded posts having received the higher pay award in percentage terms, c.9%. A long-term sickness absence has also had an impact on overtime costs.

The department continues to be under review, and given efficiencies that have been found from purchasing new vehicles and equipment it is expected to remain consistent in FTE numbers throughout the scope of these estimates. Further efficiencies will continue to be sought and posts that become vacant will be reviewed.

This department accounts for 17.25 FTE posts.

### **Enforcement Officers (Car Parks)**

Table 5: Employee budgets, forecast and actual costs and FTE count – Car Park Enforcement

	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Costs	£41,940	£43,905	£26,170	£44,210	£47,250	£49,400	£51,550	£53,160	£54,260
FTE	1.75	1.75	1.00	1.60	1.60	1.60	1.60	1.60	1.60

This department has a budget for 1.6 FTE posts and is it has been assumed that this will not change during the course of the period covered by these estimates.

### **Visitor Services:**

The budget for the current year removed seasonal Visitor Services Assistant (VSA) posts and replaced them by using Seafront Advisor (SFA) hours and a new permanent post of Customer Services Assistant (CSA). The CSA would cover the TIC, Boat Park and Market. A permanent VSA (24.5 hours) retired in March 2023. The majority of these hours were reallocated to another part-time VSA. A seasonal VSA was also employed utilising these hours and SFA allocated hours.

This department is naturally more fluid, being reactive to consumer demands and needs to be more flexible due to the seasonal nature of some of the posts. Some posts flex between departments, which is why there are fluctuations between the individual areas. As such, the visitor services budgets as a whole are a more accurate reflection of costs and employee numbers.

Three options have been submitted by the Visitor Services and Business Development Manager for consideration by Committee. Option 1 figures have been used for incorporation into the totals in tables 2 and 6. This is the preferred option in terms of meeting the vision for the Council’s visitor services, as set out in the Corporate Plan.

Table 6: Employee budgets, forecast and actual costs and FTE count – Visitor Services Option 1

	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
TIC	£141,585	£134,230	£156,105	£175,675	£199,480	£200,220	£220,400	£228,420	£234,350
Beach Gardens	£19,935	£7,625	£21,530	£25,850	£23,560	£26,250	£25,400	£26,200	£26,750
Seafront Advisors	£10,515	£6,115	£29,700	£26,955	£15,380	£13,110	£14,400	£14,830	£15,130
Market	£0	£1,060	£3,115	£1,650	£3,740	£5,360	£5,920	£6,100	£6,230
Boat Park	£8,125	£4,515	£5,700	£10,495	£17,080	£16,520	£15,630	£16,420	£16,760
<b>Total Visitor Services Costs</b>	<b>£180,160</b>	<b>£153,545</b>	<b>£216,150</b>	<b>£240,625</b>	<b>£259,240</b>	<b>£261,460</b>	<b>£281,750</b>	<b>£291,970</b>	<b>£299,220</b>
<b>Total FTE posts</b>	<b>6.47</b>	<b>5.24</b>	<b>7.24</b>	<b>7.34</b>	<b>7.78</b>	<b>7.64</b>	<b>7.90</b>	<b>7.90</b>	<b>7.90</b>

A further two options, incorporating different levels of staffing at the TIC are set out below. These may have an impact upon the desired level of service delivery. They provide for either an overall visitor services staffing level of 7.7 or 7.8 FTE posts at a total cost of either £275,710 or £278,370.

## **TIC**

As stated above, hours were reallocated to posts during 2023/24 due to the retirement of one postholder. This also impacted the need to recruit a seasonal VSA. Further changes are proposed for the coming year, three options being set out below.

### **Option 1: Optimal service delivery, improved frontline service and website support**

This option has a reduced number of hours for seafront advisors and the seasonal Boat Park attendant. The reinstatement of a seasonal post, plus an additional permanent VSA, in part to facilitate seven-day opening during the winter. The CSA hours have also been reallocated between the Boat Park and Market to reflect the service requirements more accurately. A further 156 hours have been requested for the Business Development Support Officer (BDSO).

- Addition of one permanent post
- Addition of one seasonal post
- Removal of SFA hourly allocation
- Increase in BDSO hours
- Total increase of 322 hours from 2023/24 budgeted hours

Table 7: Employee budgets, forecast and actual costs and FTE count – TIC Option 1

	Actual 2019/20	Actual 2020/21 (Covid)	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Costs	£141,585	£134,230	£156,105	£175,675	£199,480	£200,220	£220,400	£228,420	£234,350
FTE	4.72	4.40	5.05	4.60	5.64	5.48	5.80	5.80	5.80

**Option 2: Scaled back option, no extension to winter opening and less website support**

As option 1 but without the additional permanent VSA and reduced seasonal hours, 190 hours less for VSA. 156 additional hours for the BDSO.

- Addition of two seasonal posts
- Removal of SFA hourly allocation
- Increase in BDSO hours.
- A reduction of 34 hours from 2023/24 budgeted hours

Table 8: Employee budgets, forecast and actual costs and FTE count – Visitor Services Option 2

	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
TIC	£141,585	£134,230	£156,105	£175,675	£199,480	£200,220	£214,360	£222,200	£228,000
Total FTE posts	4.72	4.40	5.05	4.60	5.64	5.48	5.60	5.60	5.60

**Option 3: Middle option, additional winter staffing for website support**

As option 1 but with reduced winter hours for website support

- Addition of two seasonal posts
- Removal of SFA hourly allocation
- Increase in BDSO hours
- Increase in VSA winter hours
- An increase of 120 hours from 2023/24 budgeted hours

Table 9: Employee budgets, forecast and actual costs and FTE count – Visitor Services Option 3

	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
TIC	£141,585	£134,230	£156,105	£175,675	£199,480	£200,220	£217,020	£224,940	£230,790
Total FTE posts	4.72	4.40	5.05	4.60	5.64	5.48	5.70	5.7	5.7

## **Beach Gardens**

Table 10: Employee budgets, forecast and actual costs and FTE count –Beach Gardens

	Actual 2019/20	Actual 2020/21 (Covid)	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Costs	£19,935	£7,625	£21,530	£25,850	£23,560	£26,250	£25,400	£26,200	£26,750
FTE	1.00	0.33	0.90	1.00	0.88	0.94	0.88	0.88	0.88

A budget of 1,700 hours was approved following a review of potential cost savings during the 2023/24 budget setting process. The actual hours used during the season was 1,825. Some provision will also be required as opening for Easter will be in March 2024. As such there will be an overspend in this department.

The VS&BD manager has requested an uplift in hours for 2024/25 to 1,894 to more accurately reflect the hours utilised. However, for the purposes of the provisional estimates 1,700 hours have been used. An additional £2,600 would be added to the budget for 1,894 hours/0.1 FTE. A further consideration from the manager is to open in October at weekends which would further increase the estimated hours and costs for Beach Gardens, although only if the weather is good and it is clear that income can be generated.

## **Seafront Advisors**

Table 11: Employee budgets, forecast and actual costs and FTE count –Seafront Advisors

	Actual 2019/20	Actual 2020/21 (Covid)	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Estimate- 2025/26	Estimate- 2026/27
Costs	£10,515	£6,115	£29,700	£26,955	£15,380	£13,110	£14,400	£14,830	£15,130
FTE	0.75	0.28	1.00	1.28	0.52	0.50	0.50	0.50	0.50

For the 2023 season the Seafront Advisor posts were budgeted to cover the beach and TIC, acting as customer facing VSAs. This was a change from 2022 which incorporated the boat park, market and beach hut cleaning. The challenges faced with seasonal staff recruitment are ongoing.

For 2024 it has been requested that the Seafront Advisor posts cover only the seafront/beach aspect of the job description, with two posts only.

966 hours/0.5 FTE has been requested for the 2024 season for all options.

## Market

Table 12: Employee budgets, forecast and actual costs and FTE count –Market

	Actual 2019/20	Actual 2020/21 (Covid)	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Costs	£0	£1,060	£3,115	£1,650	£3,740	£5,360	£5,920	£6,100	£6,230
FTE	0.00	0.03	0.07	0.09	0.14	0.17	0.19	0.19	0.19

With the transfer of the running of the market in-house during 2020/21, this has increased the staffing requirements for visitor services. The market is proving to be labour intensive on Fridays for the CSA, and as such a movement in hours has been made from the boat park to the market, an increase of 106 hours.

## Boat Park

Table 13: Employee budgets, forecast and actual costs and FTE count –Boat Park

	Actual 2019/20	Actual 2020/21 (Covid)	Actual 2021/22	Actual 2022/23	Budget- 2023/24	Forecast 2023/24	Provisional Estimate 2024/25	Provisional Estimate 2025/26	Provisional Estimate 2026/27
Costs	£8,125	£4,515	£5,700	£10,495	£17,080	£16,520	£15,630	£16,420	£16,760
FTE	0.00	0.20	0.22	0.37	0.60	0.55	0.53	0.53	0.53

\*Hours not separately noted in 2019

In 2023 a customer services assistant post was introduced, which covers the boat park, Market and TIC services. A seasonal boat park attendant was also recruited.

For 2024/25, it is anticipated that seasonal hours and CSA allocated hours will be less than the current year based upon 2023/24 with an overall reduction in budget provision.

## Training budget

The following training budget put forward for approval is:

Central Services: £4,500  
General Operations : £14,000  
Visitor Services: £2,500  
Total: £21,000

With 33.95 FTE employees this is a budget of c. £618 per employee and is unchanged from 2023/24.



## **Decision required**

To recommend to the Finance and Governance Committee on 13<sup>th</sup> December 2023 the staffing estimates for 2024/25, incorporating any decisions made in the meeting.

In summary, to approve the staffing budget subject to:

- Removal of Communications & Community Engagement Officer and possible inclusion of an apprentice post in Central Services
- Option 1, 2 or 3, or any other permutation for the Visitor Services staffing structure. The Committee may wish to refer this to the Tourism & Local Economy Committee for further consideration.
- To approve the training budget.

Martin Ayres – Town Clerk & RFO

Alison Spencer – Finance Manager

October 2023